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Ontario

INTERNATIONAL YOUTH YEAR 1985
ANNÉE INTERNATIONALE DE LA JEUNESSE 1985

Ministry of Housing
Ministère du Logement

Ministry of Municipal Affairs
Ministère des Affairs municipales

777 Bay Street
Toronto, Ontario
M5G 2E5

THE HONOURABLE
JOHN B. AIRD, O.C., Q.C., B.A., L.L.D.
Lieutenant Governor of the Province of Ontario

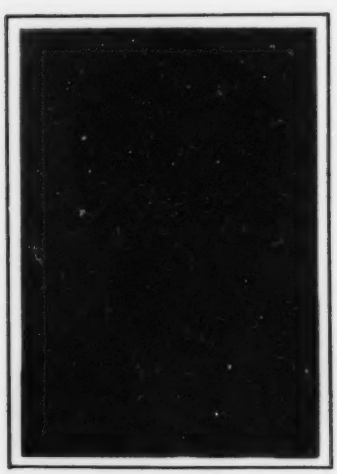
MAY IT PLEASE YOUR HONOUR:

For the information of Your Honour and the Legislative Assembly, we have the privilege of presenting the Annual Reports of the Ministry of Municipal Affairs and Housing and Ontario Land Corporation for the fiscal year ending March 31, 1985, and the Annual Report of Ontario Housing Corporation for the calendar year 1984.

Respectfully submitted,

Alvin Curling
Minister

Bernard C. Grandmaître
Minister



Corporate Resources Management

Corporate Resources Management provides central administrative, financial and human resources services to the ministry. It is also responsible for the Ontario Buildings Branch.

Corporate Resources Management includes:

- corporate planning and evaluation
- financial services
- human resources
- management services
- Ontario Buildings Branch
- operations review and audit
- legal services
- Office of the Corporate Secretary

Corporate Planning and Evaluation

- manages the resource allocation and estimates processes;
- assists in establishment of program priorities;
- plans, co-ordinates and processes cabinet and cabinet committee submissions and ensures effective ongoing communications with central agencies;
- develops and implements integrated management processes;
- conducts surveys, collects and disseminates statistical information;
- co-ordinates the ministry's strategic planning and managing-by-results processes;
- provides corporate policy advice, ensuring effective co-ordination and development of policy responses to pertinent issues;
- provides policy advice on rent review issues.

Resource allocation and cabinet liaison. This section co-ordinates the ministry's financial resource allocation and estimates processes, and ensures effective liaison and communication with cabinet and cabinet committees. This involves working with senior management to develop resource allocation strategies based on ministry policy and program priorities, co-ordinating the annual estimates process, and

Microcomputers play an increasing role in administration of ministry programs. Staff training sessions are on-going.

responding to in-year decisions requiring adjustment of budget allocations.

This section also co-ordinates the planning, scheduling and processing of ministry submissions to cabinet and cabinet committees. It provides advice and assistance to senior management regarding submission content, distributes policy submissions initiated by other ministries for review and comment, and communicates cabinet decisions and directives to affected program managers.

Management planning and statistical analysis. This section ensures that a comprehensive management planning and evaluation process is in place so that financial and human resources can be allocated and utilized in the most efficient and effective manner. Specifically, it co-ordinates the strategic planning process, advises and assists program managers in the design and development of management control processes and performance indicators, and prepares information related to the ministry's annual estimates submission. This year, it continued the implementation of an integrated approach to streamline management processes.

The section also provides statistical and survey expertise and assembles information on program performance and other relevant statistics for senior management. In addition, it is the contact point between the ministry and the management standards project at management board.

Corporate policy. This group deals with policy issues that either affect several areas of the ministry or are not the specific responsibility of other branches.

In the past year, projects included demographic analysis, reports on housing market outlook and rent review.

This section also acts on a consulting basis in response to requests from other areas of the ministry. An example of this role was the analysis of federal proposals for mortgage markets.

Other activities include written and oral briefings of the minister and deputy minister for cabinet and cabinet committees.

Financial Services

- co-ordinates and controls financial management for the ministry, its two crown corporations and 58 local housing authorities;
- ensures that adequate systems and policies for cash management, budgeting, accounting and financial reporting are in place;
- in a controllership role
  - provides financial policy direction to the ministry and its agencies;
  - establishes procedures for management of crown agency and ministry cash flows and banking arrangements;
  - provides specific advice to program managers.

The financial services branch is divided into two major sections to provide overall financial management to the ministry, its two crown agencies and its housing authorities.

Financial planning. This section carries out a continuous review of the ministry and crown agency financial resource requirements, providing advice to the responsible assistant deputy ministers as required, along with regular reporting to the deputy minister. The purpose of this activity is to ensure that all funds allocated to the ministry are effectively utilized and that alternatives are identified with respect to in-year pressures. Financial analysis, planning and monitoring support is provided on an ongoing basis to program managers.

The section continued to develop a more comprehensive budgeting and expenditure forecasting system to identify financial pressures and opportunities early in each fiscal year to help the ministry respond productively and achieve its program objectives within constrained budgets. This activity also resulted in the establishment of a ministry-wide salary planning system to help managers financially document and cost the future impact of proposed staffing plans. For the Ontario Land Corporation, improvements to cash management and advisory support were achieved to ensure more effective control over the corporation's investments in money market instruments. Better cash management services have resulted to support the investment decisions of senior staff and those of the corporate board of directors.

Financial operations and control. This section provides financial services to all ministry units and fulfils a financial management and control role as support to Ontario Housing Corporation. An overall financial reporting system is operated and maintained. The section is also responsible for all statutory reporting requirements for the ministry relating to the financial informations system of the province.
To complement the community housing wing reorganization completed in 1984, a financial planning and control function was established to enhance the financial strength of the Ontario Housing Corporation. From this role greater decentralization and accountability has been established at the housing authority level. Further, a new computerized system for planning and controlling the corporation's capital improvement program was developed and is now in the process of implementation. Regular monthly meetings with management staff from the corporation's six regional housing programs offices ensure better communications and co-ordination.

General. The branch director is appointed treasurer of both major crown agencies of the ministry. In this capacity, financial advice, policy guidance and participation in strategic planning activities are provided to the chief executives and/or to members of the Ontario Housing Corporation and Ontario Land Corporation boards.

A reduction in staff strength of four full-time positions by attrition resulted from in-year achieved efficiencies.

Human Resources

Personnel services. This section provides day-to-day personnel services to management and staff of the ministry and its crown agencies, including recruitment, job evaluation and classification, staff relations and counselling.

A major reorganization and decentralization of the Ontario Housing Corporation required a concentrated effort to prepare and classify job descriptions, relocate staff, find alternative employment for surplus staff, and deal with the many staff relations issues arising from such large scale changes in the workplace. The section also concluded development of compensation systems for housing authority employees in the Canadian Union of Public Employees (CUPE) bargaining unit.

Payroll and records. This section produced bi-weekly paycheques for ministry staff. In addition to maintaining pay and benefits data on all employees, it produced a variety of management information reports.

The section continued to administer the payroll system used by the 58 local housing authorities and provided staff with payroll instructions and training.

Staff relations. Negotiations were concluded with the two largest represented groups, Metropolitan Toronto Housing Authority and the other provincial housing authorities. These agreements are for a period of two years and will expire on December 31, 1985.

Following a decertification vote, CUPE Local 767 was confirmed as the sole bargaining agent for some 650 maintenance employees at the Metropolitan Toronto Housing Authority.

Over the past year we have experienced some leveling off with respect to grievance activities, with the result that there have been fewer cases going to arbitration.

As a result of these successful negotiations, various changes, including the introduction of maternity SUB allowance, were made to the benefits package. These have since been implemented.

Manpower planning and staff development. This section has taken on a number of new initiatives in addition to existing management development programs. Staff have worked closely with many ministry branches and the Metro Toronto Housing Authority to develop specific training programs.

The section has presented, with the personnel services and staff relations sections, the Human Resources Management Skills program. This program encourages managers to acquire skills and knowledge in selection and interviewing, managing employees with work performance problems, handling grievances, designing, analysing and defining jobs, applying the classification process, and understanding and managing working conditions in the Ontario Public Service.
It is also continuing a pilot project which provides ministry civil servants with career development opportunities. Through the Career Development Options program, the ministry may assist employees' occupational development as well as generate internal mobility.

This section has completed a human resource planning study to determine ministry human resource planning needs for meeting future organizational goals. A human resource planning and development committee, chaired by the deputy minister, was established to develop an action plan for implementing the priorities identified in the study.

A committee, with a representative from each wing, is continuing to review and improve the effectiveness of the performance management process. This committee evaluated and revised the 'Goal Setting and Review' activity, and adjusted the process to ensure that employees are now more actively involved and can identify how their job and goals fit in with the goals of the organization.

Management Services

- provides administrative services to the ministry and its crown corporations in computer and information systems support;
- procures goods and services;
- provides accommodation and office services and maintains the ministry's central library.

The procurement of goods and services and the timely payment of vendors' invoices were maintained, as was the acquisition of office accommodation and related services for the housing authorities. The library continued to provide reference services to the public and staff.

Office automation studies continue to be conducted in local housing authorities and have resulted in the introduction of more office technology as a means of improving customer service and increasing productivity. The word processing centre continued to support a growing number of program delivery areas.

Systems Services. A long-term information systems strategy was developed for the ministry. Data relating to the general business functions of the ministry have been identified and senior management will determine priorities for developing the data bases to support the business functions.

The Information Resources Management project has been completed. The results of this activity saw the creation of an information architecture diagram detailing the inter-relationships between various business entities in the ministry, followed by the initiation of two major projects and the establishment of an Information Resources Management group within systems services.
This group is responsible for maintaining the information architecture, developing an information analysis methodology and all data administration with the ministry.

The past year has seen a significant increase in micro computer support in the Information Centre and a satellite information centre has now been established

in community housing. Coincident with the increase in use of micros, a recognition that office automation needs should be addressed led to a project being established to examine local area networking. A pilot project to evaluate a LAN product will continue into 1985/86.

A third major data base system was implemented in community housing. All three data base systems continue to be operationally supported by the branch.

Ontario Buildings Branch

During 1984/85 the reorganization of the branch to fulfil its mandate of maintaining public safety in buildings and increasing the productivity and efficiency of the building industry was completed.

Policy and research section. This section is responsible for the consolidation and streamlining of building legislation and regulations, research into innovative building techniques and the regulatory structure and policy analysis of building related issues.

1984/85 — completed catalogue of provincial building legislation;
— established the steering committee on regulatory reform;
— established the Building Industry Advisory Council;
— completed the review of Occupational Health and Safety regulations and Liquor Licence Board regulations;
— initiated a review of international building research facilities;
— established an agenda for regulatory reform

Technical standards section. This section is responsible for the regulation functions of the branch. It develops and maintains the Ontario Building Code and plumbing regulations and provides advice and guidance to the building industry and building officials on building legislation and building practices.

1984/85 — revised the Ontario Building Code;
— created a new Ontario Plumbing Code;
— held 24 seminars throughout Ontario for architects, engineers, building officials and builders on building regulations, particularly with respect to residential renovation and plumbing matters;
— completed research study groups on various issues for the purpose of code amendments, e.g. air supported structures, temporary buildings;
— participated in standing committees on the National Building Code in respect to fire protection, use and occupancy, small buildings, and services to the physically disabled.

Municipal building administration and education. This section facilitates and encourages municipalities to improve the quality and effectiveness of building departments, and provides training for municipal officials and builders on the regulatory responsibilities and requirements.

1984/85 — developed the Building Action program providing grants for administrative innovation in building departments and for building officials undertaking special intensive training courses;
— commenced an administration advisory service to municipal councils and building department staff through seminars, workshops and hands-on assistance throughout the province;
— completed the design, development and delivery of an initial, comprehensive introductory training course to 120 building officials called Inspector and the House;
— commenced the development of additional levels of course work.

The Building Code Commission. The commission conducts hearings and makes decisions on disputes between a building permit applicant or holder and a building official as to the intent of the technical requirements of the code and/or the sufficiency of compliance with those requirements.

With the ever-increasing amendments to the Ontario Building Code, such as the Residential Renovation Part 11, the commission, for the first time since its inception ten years ago, has added four new members with expertise in this field of endeavor.

To provide more access to its hearings, the commission has arranged hearings within the local municipality, in some cases on the actual site of construction.

In 1984/85, the commission was able to resolve 80 of its applications informally through its FACT meetings, thereby increasing the speed and efficiency with which the remaining 21 formal hearings were completed.

The Buildings Materials Evaluation Commission. The 18-member commission conducts research into, and may authorize the use of, any innovative materials, techniques or building designs for construction which are not currently covered by the Ontario Building Code. The commission has received both national and international recognition with applications for rulings doubling over the previous year, from a client list including such countries as Holland, Norway, Africa, England, U.S.A and, of course, Canada.

An impressive amount of energy conservation products has come to light before the Building Materials Evaluation Commission. One example is a kitchen heat reclaim unit which reclaims millions of BTU's. In addition high-tech matters of microprocessors and electromagnetic locks, self luminous exit signs, and oriented strandboard have been authorized in the past year.

Operations Review and Audit Branch

— provides independent, systematic appraisal of all operations and systems of the ministry and its crown corporations, involving activity throughout the province;

— evaluates the adequacy of financial controls and compliance with corporate policies, legislation and regulations (corporate and agency audit functions);
— evaluates the economy, efficiency and effectiveness of management controls, and operational effectiveness of program delivery (operations review functions).

Legal Services

Provides a full range of legal services to the ministry and its crown corporations and advice and assistance to municipal officials, other ministries and agencies, practicing lawyers and the public in such areas as:

— Municipal Affairs — including such matters as local government powers and organization, municipal financial and administrative operations, provincial-municipal affairs, subsidies, municipal boundary changes and line fences;
— Housing — including construction, maintenance and landlord and tenant matters, the Building Code, Plumbing Code;
— Community Planning — including such matters as community renewal, official plans, zoning, site plan control, subdivision and condominum approval, subdivision control, demolition control, local planning policy development, Parkway Belt implementation, and Niagara Escarpment planning and development control;
— Real Estate — including acquisition and subdivision development, new town development, conveyancing and mortgages;
— Corporate and commercial law;
— Ministry administration and contracts.

This branch includes lawyers and support staff seconded from the Ministry of the Attorney General.

Office of the Corporate Secretary

— provides staff and administrative support to ministry committees and the boards of directors of Ontario Housing Corporation and Ontario Land Corporation;
— is involved in the public tendering process.

This office is responsible for arrangements for the functions associated with board and committee meetings. This includes agenda preparation and recording of minutes. It is also responsible for the safekeeping of negotiable securities and other related documents and their return upon authorization.

This office also retains custody of the corporate seals.

Affirmative Action Program

The Affirmative Action Program Office is responsible for administering and monitoring affirmative action progress in the ministry. In addition, the program has the 58 housing authorities as a client group. The office assists managers and employees in providing female employees with equal employment opportunities and career planning assistance.

Career counselling sessions and workshops specifically designed for particular employee groups are methods to encourage employees to identify career paths and goals. These methods form part of the strategies to obtain the long-term goal of equal opportunity: the objective of 30% minimum representation in all modules and categories by the year 2000; and raising the level and diversifying the occupational distribution of women.

The program has been in existence in the ministry since 1975, during which time the wage gap was decreased by 8.6% to 67.7% at 1984/85 year end. The administrative module, which serves as a feeder group to senior management, has increased in female representation by 12.0% to 32.1%.

During 1984/85, women's share of employment increased by 1.6% to 54.6% (611) as of March, 1985.

Senior women represent 10.8% (or four employees, including one acting) out of a total of 37 employees in the Executive Compensation Plan. Three employees were the first women at a certain level: e.g. administrative module — financial administration 20, program analysis 19, and systems services 20. Twelve women were the first, or one of very few, at a particular position in the administrative services category — systems officer 4, executiver officer 2, economist 2, financial officer 2, supervisor 2 municipal organization and administration; in the administrative module — general administration 19, financial administration 18, general administration 20; in the office services category — data processing technician 4. In addition, a female acting director has been appointed for a period of 18 months.

Three senior women in the resources planning and management group are receiving training at the senior levels of the professional module. Two secondments were arranged between the ministry and the Metropolitan Toronto Housing Authority to prepare staff

Affirmative Action Program office staff assist ministry managers and employees in providing female employees with equal employment opportunities and career planning assistance.

for career changes, one in preparation for a management position and another for community relations work.

The 30% objective was achieved in the technical services category. Female representation is now 42.1%. In the under-represented classifications, 40 competitions occurred with women winning 22.5% of the competitions, or nine out of 40.

In the 30-60 female representation target area, 357 applications were received for nine competitions in the community planner 3 classification. Out of the 58 interviewed (18 females), five males and four females were hired.

A total of 57 accelerated career development initiatives were provided for women in the form of 25 on-the-job training positions, five rotations, 20 secondments, and seven acting positions.

Of the six hire/promotion targets that were established, half were achieved or exceeded: (2) executive officer 2, (1) financial officer 2, (4) community planner 3. In the remaining areas, there were neither vacancies nor qualified female applicants.

Affirmative Action staff provided 68 counselling sessions in the areas of general career counselling, resume writing, interview coaching and work-related issues. This represents a 45% increase over 1983/84.

Progress for women in the area of technology has been one of growth and continuous opportunity. The expansion of technology has opened up new opportunities for women to move ahead in key areas. In the growth area, nine new positions in the system officer classification (levels 2-4) were created in the past two years with females winning more than half of the competitions. Achievements in occupational distribution over a one-year period alone have realized an increase of eight females in the SO1 to SO5 classifications. Of the eight, two positions are at the SO4 level and three at the SO1 level.

During 1984/85, 13 staff members received accelerated career development opportunities related to advancing and learning skills in their technology-related careers. This involved classifications such as ASY19, SO3, SO1, DPT5, C4G.

A computer systems data base of staff receiving training or having a computer background was developed in order to aid managers with employee searches for rotation and secondment opportunities.

During the year, 280 women in senior and middle management benefited from an executive series of workshops offered in eight-part format. Topics covered were: strategic planning, managing in a changing environment; implementing change and reorganization; productivity by objectives and team development; organizational politics and power; conflict resolution, presentation skills and communication; promoting your professional service or practice.

Skill enhancement workshops such as getting ahead, time management, assertiveness in good style, and negotiating skills, were provided for 234 ministry and housing authority middle management and support services women. Regional workshops for 73 women were held in Hamilton, Sudbury (in conjunction with the Sudbury interministerial committee), and Ottawa.

A two-day general meeting, designed as a working session to deal with concerns and provide an overview of Affirmative Action plans and activities, was held in June. Eighty representatives from the ministry, regional offices and housing authorities attended. Participatory sessions provided the representatives with an opportunity to enhance their skills.
The volunteer committees actively promoted the program during the year. The CORE committee arranged a series of lunch-hour educational seminars for ministry staff. The sessions were designed to expand general knowledge regarding Affirmative Action and provide information supportive of women in the workplace. Well-known external professionals and internal staff addressed issues such as benefits, daycare, fitness for women, personal harassment, financial planning, dress for success, productivity and advancement, networking, and the current status and progress of Affirmative Action organizations.

The committee also arranged a full-day seminar for Affirmative Action committee representatives on developing speaking confidence.

The News of Women (NOW) newsletter produced three issues for distribution to all ministry staff and generated responses through "Letters to the Editor". The newsletter is produced by a volunteer publications committee.

The subsidies branch has a seven-member Affirmative Action committee which is available to branch staff for information and support and to promote awareness of Affirmative Action. In 1984/85, "Brown Bag" sessions included topics such as income tax and budgeting, color concepts, and a series of film presentations dealing with current concerns.

During 1984/85, special emphasis was placed upon preparation for the establishment of a formal Affirmative Action plan with the housing authorities. The manager met with the vice chairman and the chief executive officer of the Ontario Housing Corporation and a number of regional housing programs office managers. At year end, a proposal was underway to launch a formal Affirmative Action program in the housing authorities, starting with a resolution by Ontario Housing Corporation to fully support the Government of Ontario Affirmative Action policy. As part of this procedure, planning guidelines will be set up and a process of implementing and monitoring the program will be designed. The housing authorities will be reporting on a calendar year basis.

Program staff met with the assistant deputy ministers to discuss the 1984/85 results and 1985/86 plans. Meetings with regional offices and managers were held in Sudbury, Barrie, Thunder Bay, Ottawa and Mississauga. Counselling sessions were provided on site and via telephone to ensure that all the client groups' needs were addressed.

All the above activities contributed towards the corporate and ministry goal of Affirmative Action.

French Language Services

During the past year, a French-language services co-ordination committee of wing representatives was created to take responsibility for the implementation of the government's French-language services policy for this ministry.

The committee reports to the deputy minister and the co-ordinator of French-language services acts as chairman of the committee.

The committee conducted a survey of the services offered by the various wings and branches and prepared an analysis of the need for French-language services. An action plan will be presented to the deputy minister in the near future.

The municipal affairs and the community planning wings continue to provide educational and advisory services to French-speaking municipal councillors and staff.

Municipalities continue to participate in the ministry's program of financial aid for municipal French-language services.

New ministry employees were given copies of a statement on government French-language policy and were informed of ministry policy during orientation meetings.

All ministry offices in the areas designated for bilingual services and having French-language capacity are listed in French in the government pages of appropriate telephone directories.

As well, local housing authorities in the designated areas will be provided with plaques to inform their clients of the availability of services in both languages.

There was a revision to the ministry's translation policy: official documents continued to be translated by the Ministry of Government Services, but unofficial documents could now be translated by private agencies.

Advertisements and news releases intended for Ontario's designated areas were in French. Information kits, brochures, background material and legislation were available in French as well as English.

The French Services co-ordinating committee is responsible for ministry implementation of government French-languages services policy.

Ontario

INTERNATIONAL YOUTH YEAR 1985
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Office of the Deputy Minister
Bureau de Sous-ministre

Ministry of Housing
Ministère du Logement

777 Bay Street
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(416) 585-7100

THE HONOURABLE ALVIN CURLING
MINISTER OF HOUSING

SIR:

I have the honour to submit for your approval the 1984/85 Annual Report of the Ministry of Municipal Affairs and Housing.

Respectfully submitted,

Ward Cornell
Deputy Minister

Community Housing

Community housing helps meet the needs of low- and moderate-income families, senior citizens and disabled persons through a variety of programs. It focuses on a range of housing activities, including the private rental sector and ownership markets.

It is concerned with:

- provision of low-income housing under the auspices of Ontario Housing Corporation;
- issues relating to the development, financing, and construction or acquisition of housing built or supported with government aid;
- fostering residential construction in the private sector;
- promoting housing renovation;
- encouraging the upgrading of existing housing;
- planning for the future shelter needs of groups such as the elderly and disabled persons, in concert with other provincial social agencies;
- converting unused non-residential properties such as warehouses into housing.

A reorganization of the community housing wing was completed during the year. Functions of the community housing wing were amalgamated with Ontario Housing Corporation to streamline operations and to reflect a new, decentralized, "one-window" approach to housing policy and program delivery.

Community housing wing consists of the following areas:

- Ontario Housing Corporation (OHC)
- housing policy and program development branch
- Housing Conservation Unit.

Housing Policy and Program Development Branch

The branch formulates policy options for senior staff and the minister concerning rental and ownership housing in the public and private sectors.

Appropriate program responses, including operating policies and procedures, are then developed. The users for these are both internal, e.g. the Ontario Mortgage Corporation, the housing field operations branch; and external, e.g. municipalities.

During the year, the branch co-operated with Canada Mortgage and Housing Corporation (CMHC) to develop the Canada/Ontario Rental Supply program (CORSP). This program was targeted to areas which had both a vacancy rate of less than 3% and a high need for Rent-Geared-to-Income (RGI) units, as measured by the waiting lists. Proposal calls were issued and each application individually analyzed to ensure the provision of modest family accommodation. A total of 2,732 units were committed in 15 municipalities at a cost of $29 million, to be shared equally between the federal and provincial governments.

The branch also contributed to an on-going series of federal/provincial negotiations at the ministerial, senior official, and staff levels. These negotiations may result in major shifts in provincial housing policy direction.

At the same time, the branch began the pre-planning necessary to carry out the surveys of the rental and ownership markets in October 1985.

Housing Conservation Unit

The major objective of the unit is to conserve, supplement, and make the optimum use of the existing housing stock and related urban infrastructure.

In broad terms, the activities of the unit fall into the following categories:

- establishing liaison between the ministry and major client groups involved in housing conservation, renovation and conversion;
- developing resources to aid the renovation activities of municipalities and the private sector;
- carrying out research and demonstration for a wide range of conservation, intensification and stock management subjects;
- assembling, disseminating and updating information on trends and activities in housing conservation and stock management.

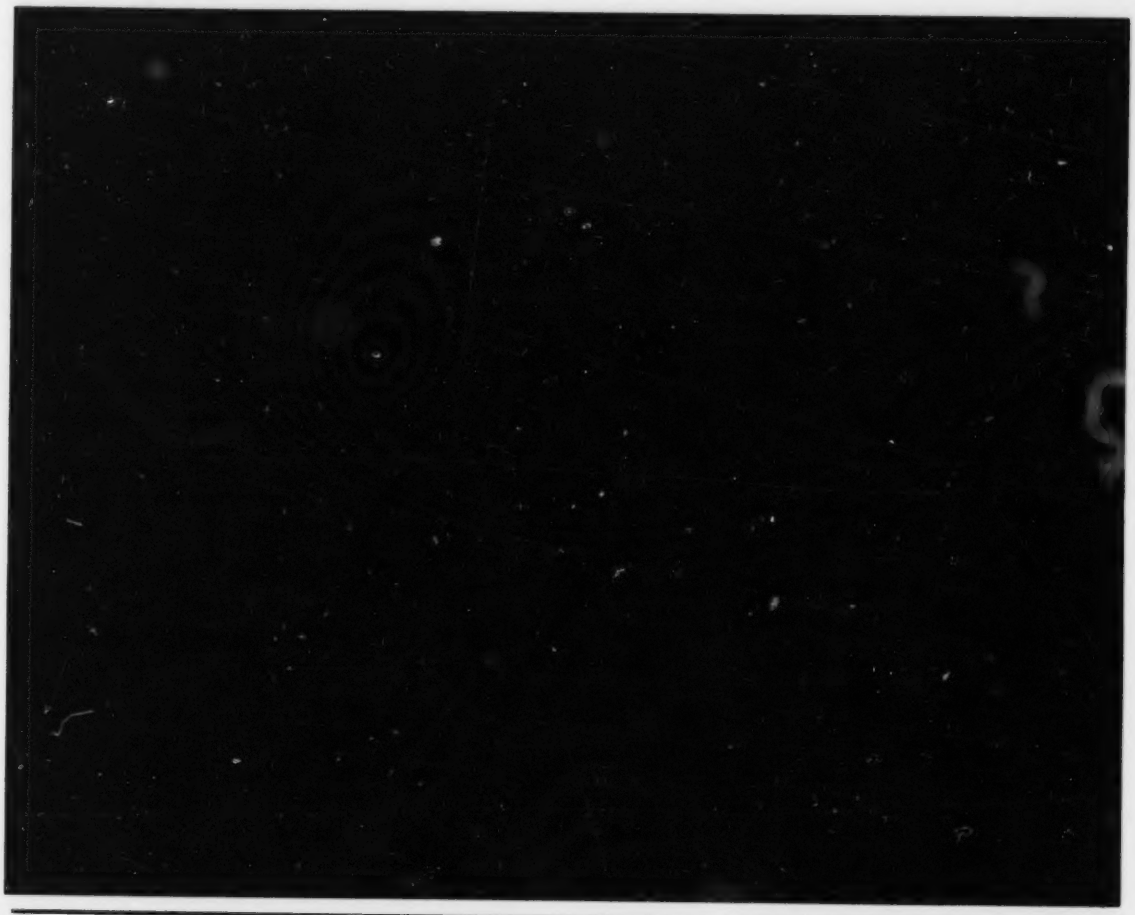
Several research and demonstration projects aimed at making better use of existing housing stock and urban infrastructure were completed, and others begun. The Add-a-Unit project documented impediments to housing conversion and will enable the development of new approaches. Similarly, the Conserve-a-Unit project, which resulted in the upgrading of over 300 rental units, provided information and documentation on conditions in low-rise rental stock.

The Portable Living Units for Seniors (PLUS) project is a demonstration of the so-called "granny flat" concept originally developed in Australia. A "granny flat" is a small, temporary, relocatable, detached dwelling unit located on the grounds of a host household and specifically intended for an elderly parent. Comprehensive reports were completed on necessary local planning procedures and architectural design aspects. The second phase of the research and demonstration will continue with the placing of 12 units in three municipalities.

The comprehensive set of booklets and factsheets prepared and distributed by the unit continues to generate demand. Six new booklets on various aspects of renovation were prepared to complement the earlier material which emphasized the energy conservation opportunities provided by renovation work. A total of one million pieces of literature were distributed in 1984.

The Home Conservation Centre is a travelling exhibit which is placed and staffed by the unit throughout the year.

The 1985 program covered 22 shows, including the Canadian National Exhibition and the National Home



This model illustrates new low-rise housing for the elderly. Known as "granny flats", these units are being constructed in specific Ontario municipalities.

Show, as well as more specialized and local shows. Through the exhibit, almost 300,000 booklets and factsheets were distributed, and personal advice was made available to many thousands of visitors.

Corporate Planning Section

This section develops and co-ordinates managing-by-results abstracts, analyzes and reviews financial planning activities, and prepares corporate and strategic plans for the wing and Ontario Housing Corporation.

The growth in computer technology applications led to the implementation of Information Resource Management. Using standardized techniques for assessment and identification of data needs has resulted in improved co-ordination of the development of new wing systems with user requirements and existing programs.

Ontario

INTERNATIONAL YOUTH YEAR 1985
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Office of the Chairman

Ministry of Housing

Ontario Housing Corporation

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THE HONOURABLE ALVIN CURLING
MINISTER OF HOUSING

Sir:

It is my honour, on behalf of the Board of Directors, to present the Annual Report and Statement of Accounts of the Ontario Housing Corporation for the year ending December 31, 1984.

Respectfully submitted,

Allan R. Moses
Chairman of the Board

Ontario Housing Corporation

Board of Directors

A.R. Moses, Chairman
L.F. Pitura, Vice chairman
R.G. Crompton
J.H. Jorden
J.F. Kelleher
J.E. O'Brien
M.A. O'Brien
G.P. Puddicombe
G.R. Stratton
I. Wong
J.A. Yaworsky

Report of the Chairman of the Board

The year under review presented OHC with a unique opportunity to celebrate both its 20th anniversary as a social housing agency and also to celebrate the Bicentennial of Ontario.

The corporation was able to schedule a full slate of activities at the head office and the housing authority level; in this regard, full credit must go to the OHC Bicentennial committee which was chaired by OHC board member Gail Puddicombe.

The committee met frequently during the year, and the efforts of the committee resulted in some outstanding achievements. These included the production of a 20th anniversary history of OHC; the creation of an OHC display which formed part of the Heritage Village Bicentennial Caravan; the design of special Good Citizenship awards honoring housing authority chairmen and members; and the creation of a scholarship program which saw 34 graduating high school students from social housing receive full college scholarships.

The year past was one of the most memorable in the history of Ontario Housing Corporation (OHC).

During the year, the corporation successfully completed a major reorganization to deal with a new and expanded mandate in the field of social housing.

At the same time, OHC celebrated its 20th anniversary as a provincial housing agency by arranging a host of special events and activities throughout the year.

The reorganization of OHC began officially on December 1, 1983 with the announcement that the corporation had been given responsibility for all provincial social housing policies and all subsidized housing programs.

This "one-window" approach to social housing allowed OHC to provide assistance not only to its housing authorities, but also to an entire new range of client groups, including municipal non-profit corporations, private non-profit groups and co-operatives.

During 1984, OHC's head office operations were reorganized into three main branches: the assistant general manager, field operations; the technical support branch; and the program policy and evaluation branch.

At the field level, OHC's six branch offices were renamed regional housing programs offices and were greatly strengthened, enabling them to respond more efficiently to the needs of housing authorities.

The reorganization of such a complex organization presented a considerable challenge during 1984, and I am pleased to report that with its completion the corporation is functioning in a most efficient and cost-effective manner.

Winning posters in a special competition held, as part of OHC's 20th anniversary activities, are shown. The contest was open to all OHC tenants.

At the end of 1984, the corporation had 83,895 housing units made up of 47,684 family units and 36,211 senior citizen units. The corporation also had 11,041 units under rent supplement program agreements, for a total portfolio of some 95,000 units.

OHC is also involved in subsidizing rent-geared-to-income units developed under other housing programs. In 1984, the corporation was providing financial assistance for more than 115,000 units, or more than one in every 10 rental households in the province.

During 1984, three mergers were approved involving large and small housing authorities serving the same community. The mergers had no effect on the tenants, staff or housing authority members in each case, but did allow us to reduce overhead costs by combining activities under one roof.

Early in the year, the London Housing Authority merged with the Middlesex County Housing Authority to create the London and Middlesex Housing Authority. In the summer, housing authorities in Oshawa and Durham area were combined to create the Durham Regional Housing Authority. Finally, late in the year, the Trenton Housing Authority was merged with the Hastings, Prince Edward and Belleville Housing Authority to create the Hastings and Prince Edward Housing Authority.

The mergers reduced the number of housing authorities in the province from 61 to 58.

During the year, we continued to strengthen the important dialogue between the OHC Board of Directors and the 450 citizens who volunteer their time and energy to serve on our local housing authorities.

As in the past, the corporation continued a number of housing authority activities designed to encourage the team approach to social housing which is so vital in an organization with the magnitude of Ontario Housing Corporation.

During 1984, housing authority chairmen attended meetings of the OHC board on a rotational basis, and a series of periodic meetings was held between branch managers and the housing authority chairmen in their areas. We also continued our very successful workshop series during 1984, and members of the Board of Directors travelled to Ottawa, Chatham and Toronto to meet with housing authority members and chairmen to discuss the many issues facing us in social housing.

Of particular importance, the Advisory Council of Housing Authority Chairmen continued its excellent work during the year.

The advisory council has been led during the past two years by Armando DeLuca, chairman of the Windsor Housing Authority, whose leadership has made the council one of our most valued links with housing authorities. Mr. DeLuca ended his term of office with the council on December 31, 1984 and I cannot say enough about the superb contribution he has made to social housing in our province.

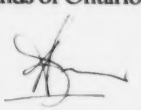
In September, James Kelleher, a member of our Board of Directors since 1982, was elected as a member of parliament in his home riding of Sault Ste. Marie. I wish him every success in his new career.

As well, our Board of Directors lost an important member at the conclusion of the year when Judith Yaworsky of Ottawa completed her second term of office as a member of the board. Ms. Yaworsky has been a dedicated board member for some six years, and her talents have made our province a better place in which to live.

In closing, I would like to extend my sincere gratitude to my fellow board members for their constant support and encouragement during the year. The members of the board, along with the hundreds of dedicated citizens who volunteer to serve on our housing authorities, and our ever enthusiastic staff members, have given Ontario a system of social housing which is the envy of the nation.

We have emerged together from a period of change as a stronger organization which will continue to provide shelter for thousands of Ontario residents.

Allan R. Moses
Chairman



Ontario Housing Corporation

Ontario Housing Corporation (OHC) provides rent-geared-to-income housing for families and senior citizens with low incomes, as well as for physically-handicapped and developmentally-handicapped individuals. Local housing authorities are responsible for managing the rental properties through agreements with the corporation.

During 1984, OHC reorganized internally to meet the needs of an expanded mandate which includes the added responsibility for all social housing program policy and delivery.

OHC develops social housing programs and policies, administers housing programs such as Municipal Non-Profit and Rent Supplement, and evaluates administrative and operational procedures associated with social housing programs.

A "one-window" approach for all social housing program delivery and management of OHC-owned accommodation has been developed through the regional housing programs office network at the local level. The regional housing programs offices have been strengthened to provide stronger property management, program delivery and technical support services.

At the year's end, the corporation had the following units in its portfolio:

Family	48,194
Senior Citizen	36,148
Total	84,342

The corporation secured rent supplement units during the year to bring the total at year's end to 16,372. These units provide accommodation for rent-geared-

to-income tenants in buildings owned by private landlords and help to integrate low-income tenants into the community.

The housing priority list for rent-geared-to-income accommodation as of December 31, 1984 stood at:

Family	16,522
Senior Citizen	5,930
Total	22,452

Field Operations Branch

The branch is responsible for ensuring that the province's portfolio of assisted rental housing is operated efficiently and maintained properly. This is accomplished through a system of housing authorities throughout the province, which were reduced from 61 to 58 during the period to improve efficiency and restructure the organization on a regional/county basis.

The branch is also responsible for the administration of the Municipal Non-Profit housing program, Rent Supplement program and other social housing programs.

Six regional housing programs offices (RHPO's) are located throughout the province. These offices were strengthened in the reorganization process and provide technical, financial and administrative support to the housing authorities and non-profit housing corporations.

In 1984 expenditures totalled $424,400,000 and revenues were $182,000,000 in the operation of the various OHC properties. Annual transactions exceeded $1 billion.

In addition, decentralization of the administration of all social assistance programs to the RHPO's commenced during this period to reinforce the "one-window" approach.

A major challenge of the corporation is to carry out the extensive repairs associated with the aging of its housing stock, at a time when financial resources are limited.

Technical Support Branch

The branch is responsible for provision of overall technical direction and guidelines to the regional technical section, co-ordination and direction of universal programs or projects, the development of generic specifications and standards, and the planning for long-term maintenance and upgrading of OHC housing.

Work commenced on the development of an OHC building conservation reporting system, to be completed and tested in 1985.

The energy conservation reporting system and energy targets systems showed good results,with savings of $1,190,000 achieved up to the end of 1984.

Co-ordination of OHC's fire alarm and emergency system upgrading program proceeded on schedule. By the end of 1984, 283 designs had been finalized and work had been completed on 114 projects. The total program, which is expected to take a further three years to complete, involves approximately 500 buildings.

A considerable amount of work was carried out in the fire safety area with seminars given on emergency planning and senior citizen evacuation and on-site inspections. Seminars were also given on general safety matters and assistance given to the Industrial Accident Safety Prevention course, Management Guide to Loss Control. By year's end, 87 housing authority staff had completed this course.

Program Policy and Evaluation Branch

A management standards project was started in 1984 with the creation of the management operations and review section. This project will provide both the regional housing programs offices and local housing authorities with a management enrichment or improvement program that would provide an objective analysis of the effectiveness of their management practices and processes. Work commenced on establishing key indicators of housing management in the areas of maintenance, finance, human resource management and program administration. These management standards will include guidelines on both quantitative and qualitative measurements of managerial efficiency.

Computerization was expanded with the establishment of the Satellite Information Centre to provide end user support in the areas of data access, information needs, and specific hardware and software requirements for the corporation. Microcomputers were introduced during this period to the six regional offices, and a strategy was developed for introduction of micros to the housing authorities.

Housing authority appointments were made as vacancies occurred. The 58 housing authorities had a total of 440 members at year end.

A professional development workshop in community relations focused on seniors and families living in public housing. Support services were provided for the steering committee researching the 'Needs and Use of Support Service' in public housing. The 1984 summer recreation program was successful; an added feature of the program was an increase in tenant youth and minority groups employed as recreation and aquatic workers.

Policy staff participated in the federal/provincial policy and program consultative process with the development of position papers and other agenda material. A major program initiative was the development of an implementation strategy for a program that increased the proportion of rent-geared-to-income housing units in non-profit family projects from 25% to a maximum of 40%. This strategy included development of a new housing priority system and a framework for a common housing priority list to be used by all non-profit corporations, thus ensuring that the rent-geared-to-income units are targeted to those most in need.

Ontario Housing Corporation

Financial Statements Year ended December 31, 1984

Incorporated without share capital under the
Ontario Housing Corporation Act

Balance Sheet
December 31, 1984

	1984 ($000's)	1983 ($000's)
Assets		
Investment in properties (note 2)		
Provincial housing	1,242,799	1,256,935
Federal-Provincial housing	16,448	16,351
Student housing on leased land	63,442	63,841
Land leased	2,308	2,308
Projects under development	2,078	1,005
Land inventory	2,148	2,174
	1,329,223	1,342,614
Mortgages and loans (note 3)	22,420	20,009
Other assets	439	439
Amount due from the Treasurer of Ontario (note 4)	64,381	65,921
Accounts receivable	1,408	1,170
	1,417,871	1,430,153
Liabilities		
Long-term debt (note 5)		
Canada Mortgage and Housing Corporation	1,161,904	1,174,921
Treasurer of Ontario	151,475	170,750
Other	19,777	19,934
	1,333,156	1,365,605
Accounts payable and accrued liabilities (note 6)	83,125	62,573
Bank indebtedness	1,590	1,975
	1,417,871	1,430,153

See accompanying schedule and notes to financial statements.

On behalf of the Board:

_____ Vice-Chairman

_____ Corporate Secretary

Statement of Operations Year ended December 31, 1984

	1984 ($000's)	1983 ($000's)
Housing Operations		
Assisted housing		
Rental revenue	185,228	171,691
Expenses		
Property operating expenses	236,018	221,953
Grants in lieu of municipal taxes	69,673	65,130
Amortization (principal repayments and interest)	121,984	126,645
	427,675	413,728
Loss on assisted housing (note 7)	242,447	242,037
Rent supplement (note 8)	46,957	42,834
	289,404	284,871
Less: Canada Mortgage and Housing Corporation share	149,275	145,671
	140,129	139,200
Provincial contributions to municipal housing (note 9)	12,519	11,468
Rural and native housing (note 10)	2,453	2,069
Loss on housing operations	155,101	152,737
Social Housing Payments (note 11)	13,263	—
	168,364	152,737
Other Revenue and Expenses		
Interest revenue	(8,067)	(8,120)
Interest expense	6,041	6,920
Administration expenses (Schedule)	1,475	739
Net other revenue	(551)	(461)
Net Operating Cost for the Year	167,813	152,276
Funds Provided by the Treasurer of Ontario	167,813	152,276

See accompanying schedule and notes to financial statements.

Administration Expenses
Year ended December 31, 1984

	1984 ($000's)	1983 ($000's)
Salaries and benefits (note 12)	5,367	4,089
General and office expenses	339	215
Administrative support services (note 13)	8,412	8,635
	14,118	12,939
Less: Administration expenses charged to housing operations	12,643	12,200
	1,475	739

See accompanying notes to financial statements.

Notes to Financial Statements
December 31, 1984

1. Significant Accounting Policies

(a) Basis of accounting

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles with the exception of:

i) investments in Provincial and Federal-Provincial properties (land and buildings) which are amortized over the terms of the corresponding indebtedness;

ii) furniture and equipment purchases which are expensed in the year of acquisition; and

iii) social housing payments which include funds advanced as interest free loans. These loans are expensed and not included as accounts receivable in the balance sheet. Repayments are returned directly to the Consolidated Revenue Fund of the Province of Ontario.

(b) Capitalization of costs

Carrying charges for projects under development are capitalized and include interest, administration expenses and grants in lieu of municipal taxes.

(c) Self-Insurance

The Corporation follows the policy of self-insuring its Provincial and Federal-Provincial properties for property damage such as fire, water and vandalism. Costs of such repairs are charged to property operating expenses.

2. Investment in Properties

(a) Provincial housing

This investment represents land and building costs of wholly-owned properties which are amortized over the terms of the corresponding indebtedness.

	1984 ($000's)	1983 ($000's)
Cost	1,317,223	1,317,223
Less: accumulated amortization	74,424	60,288
Net book value	1,242,799	1,256,935

2. Investment in Properties (Cont'd)

(b) Federal-Provincial housing

Federal-Provincial properties are owned and operated on a partnership basis with Canada Mortgage and Housing Corporation. The balance represents the Corporation's share of land and building costs which are amortized over the terms of the corresponding indebtedness.

	1984 ($000's)	1983 ($000's)
Cost	20,245	19,891
Less: accumulated amortization	3,797	3,540
Net book value	16,448	16,351

(c) Student housing on leased land

This investment represents building costs to provide student accommodation on land leased from 11 universities and colleges. These costs are being repaid semi-annually to the Corporation by the educational institutions over 50 years. When costs are fully repaid, title to the properties will be transferred to the respective institutions. Rental income and maintenance costs on these properties are absorbed by the institutions.

	1984 ($000's)	1983 ($000's)
Cost	67,890	67,890
Less: educational institutions' equity	4,448	4,049
Net book value	63,442	63,841

(d) Land leased

This land, valued at cost, is leased to the City of Toronto Non-Profit Housing Corporation for a period of 15 years expiring in the year 1991 with option to renew thereafter.

(e) Projects under development

This represents the Corporation's share of land and building costs of projects under development pertaining to the Rural and Native Housing program.

The Corporation, under agreement with Canada Mortgage and Housing Corporation, provides capital funds for the development and subsequent sale by mortgage of family units in rural areas in the Province of Ontario. Canada Mortgage and Housing Corporation is responsible for administration of this program.

Carrying charges for projects under development were capitalized in the amount of $0.4 million (1983 - $0.5 million).

(f) Land inventory

These lands, acquired for development of housing projects, are valued at the lower of cost or estimated market value.

3. Mortgages and Loans

	1984 ($000's)	1983 ($000's)
Rural and Native Housing Program	17,495	15,047
Other	4,925	4,962
	22,420	20,009

Mortgages and loans receivable yield interest at varying rates. Total interest income from mortgages and loans receivable amounted to $2.6 million in 1984 (1983 - $2.2 million).

4. Amount due from the Treasurer of Ontario

The receivable of $64.4 million (1983 - $66.0 million) represents the balance due from the Treasurer of Ontario for the current year's net operating cost less advances received to date.

5. Long-Term Debt

The Corporation borrows funds from Canada Mortgage and Housing Corporation, Treasurer of Ontario and the private sector to finance investments in real property. Such borrowings are repaid in accordance with agreement terms over periods not in excess of 50 years.

Interest is payable to Canada Mortgage and Housing Corporation and the private sector at various rates based on individual agreements ranging from 4.25% to 15% - weighted average rate of 8.18% (1983 from 4.25% to 15% - weighted average rate of 8.17%); and interest is payable to the Treasurer of Ontario at the weighted average rate of 8.61% (1983 - 8.52%).

Estimated scheduled principal repayments due for long-term debt are as follows:

	($000's)
1985	8,992
1986	9,670
1987	10,403
1988	11,196
1989	12,054
Subsequent to 1989	1,280,841
	1,333,156

Although the Corporation is indebted for capital funds borrowed in respect of investment in Provincial housing projects, the principal repayments and interest charges (amortization) over the life of the projects are considered operating expenses under the cost sharing agreement with Canada Mortgage and Housing Corporation. Under this agreement, Canada Mortgage and Housing Corporation contributes 50% of the repayment of principal and interest (amortization) and the Corporation absorbs the remaining 50%.

6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of:

	1984 ($000's)	1983 ($000's)
Canada Mortgage and Housing Corporation	44,416	26,519
Other	38,709	36,054
	83,125	62,573

7. Loss on Assisted Housing

Under the assisted housing program, the Corporation owns (either wholly or in partnership with Canada Mortgage and Housing Corporation) rental properties and provides rent-geared-to-income accommodation principally to families and senior citizens. The management of the properties is carried out through a network of local housing authorities who act as agents of the Corporation. The loss on this program is shared with Canada Mortgage and Housing Corporation.

8. Rent Supplement

Under the rent supplement programs, the Corporation acquires the use of rental units from the private sector and provides rent-geared-to-income accommodation principally to families and senior citizens. The costs of these programs are shared with Canada Mortgage and Housing Corporation.

9. Provincial Contributions to Municipal Housing

The Corporation contributed $12.5 million (1983 - $11.5 million) to The Metropolitan Toronto Housing Company Limited towards operating costs for senior citizen apartment units.

10. Rural and Native Housing

This program, administered by Canada Mortgage and Housing Corporation, provides subsidized home ownership to families in rural areas. Mortgage payments are geared to owners' incomes. The loss represents the Corporation's share of the subsidy provided.

11. Social Housing Payments

Effective April 1, 1984, the Corporation assumed responsibility for the delivery of a number of social housing transfer payments. These programs provide various forms of assistance to non-profit housing groups, co-operative housing developments, municipalities and the private sector. The 1984 payments represent expenditures for the nine-month period.

Some of these payments represent funds advanced as interest-free loans subject to specific repayment conditions. These payments are recorded by the Province of Ontario as transfer payments and reported as memorandum accounts receivable in the Public Accounts. The Corporation does not include these amounts in its balance sheet. Repayments are returned directly to the Consolidated Revenue Fund of the Province.

12. Salaries and Benefits

This represents salaries and benefits paid to administrative staff at the Corporation's head office and regional offices.

The 1984 figure includes the salaries and benefits of staff transferred to the Corporation on April 1, 1984 as a result of additional responsibility for the delivery of social housing programs as referred to in Note 11 above.

13. Administrative Support Services

The Ministry of Municipal Affairs and Housing provides central administrative support services to the Corporation. The charge for such support services was determined on a basis acceptable to the Ministry and the Corporation.

14. Comparative Figures

Comparative figures have been reclassified where necessary to conform with 1984 presentation.

Ontario

Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416 965-1381

To the Ontario Housing Corporation and
to the Minister of Housing

I have examined the balance sheet of Ontario Housing Corporation as at December 31, 1984 and the statement of operations for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1984 and the results of its operations for the year then ended in accordance with the basis of accounting described in Note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

In accordance with section 12 of the Ontario Housing Corporation Act, a report on the audit will be made to the Corporation and to the Minister of Housing.

D.F. Archer

Toronto, Ontario,
May 30, 1985.

D.F. Archer, F.C.A.,
Provincial Auditor.

Ontario
Land
Corporation

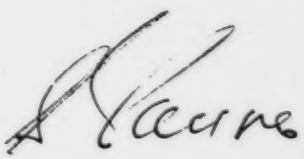
777 Bay Street
Toronto, Ontario
M5G 2E5
(416) 585-6730

THE HONOURABLE ALVIN CURLING
MINISTER OF HOUSING

Sir:

On behalf of the Directors, I am pleased to present to you the Annual Report of Ontario Land Corporation for the year ending March 31, 1985.

Respectfully submitted,



STANLEY G. PAYNE
Chairman of the Board and President

Ontario Land Corporation

Board of Directors

Stanley G. Payne, chairman
Robert W. Riggs, vice chairman and chief executive officer
Maurice J. Closs (resigned effective February 1985)
K. Valerie Fleming
James H. Joyce
Mrs. Lee Martini
Harold S. McLellan
James D. Nasso
Jean C. Paradis
Charles Parsons
John D. Rogers
Lawrence Shankman

The Year in Review

Ontario Land Corporation is well ahead of the Treasury Debt Repayment Plan approved in 1982 by the corporation's Board of Directors. This plan sets out the priorities and time frames for the repayment of all portions of corporate debt.

The corporation reduced its long term debt in 1984/85 by $73 million ($71 million in 1983/84). Treasury was repaid $70 million ($69 million in 1983/84), while Canada Mortgage and Housing Corporation received $3 million ($2 million in 1983/84)

During 1984/85, the corporation continued to manage and market its assets as well as those held on behalf of Canada Mortgage and Housing Corporation.

Total cash inflow for the period decreased from $251 million in 1983/84 (OLC share — $98 million) to $207 million in 1984/85 (OLC share — $83 million). This was due to the discharge of mortgages in previous years. Cash outflow was reduced to a lesser extent.

Net income increased by 44% (from $9 million to $13 million). This was achieved through increased interest income from cash and investments, reduced interest expense, and better profit margins on land sales.

The above financial performance was achieved with a reduced asset base. As a result of efforts to encourage our clients to repay their loans, mortgages and loans decreased by $52 million. Land inventory was reduced by 205 hectares through effective marketing efforts.

The mortgage portfolio continues to be Ontario Land Corporation's chief source of earnings and cash flow. During 1984/85, residential mortgages, land sales, mortgages and leases generated cash flow of $145 million ($166 million in 1983/84). During this time, arrears were reduced from $644,000 to $436,000 on a portfolio of $474 million.

Although land sales revenue decreased from $16 million in 1983/84 to $14 million in 1984/85, profit from those sales increased to $2 million.

The largest public land bank in Canada, the Malvern Community was one of the first major projects undertaken as part of a federal/provincial partnership, related to housing development.

The corporation made significant gains from its investments of cash and securities. Income was $13 million, up 18% from the previous year's figure of $11 million.

Prior to its development or sale, most of the corporation's land is leased under the Ontario Farm Lease program. Land management activities last year earned a net surplus of revenues over expenses of $1 million. In addition, these activities helped keep the land well maintained and in productive agricultural use.

Residential properties inventory acquired through mortgage defaults in prior years was reduced from 300 units to 200 units during the year. Ontario Land Corporation will dispose of this inventory within the next three years.

During 1984/85, Ontario Land Corporation continued to administer mortgages on behalf of the Government of Ontario. These mortgages arose from a number of housing programs including the Ontario Rental Construction Loan, Renter-Buy, Add-a-Unit, Convert-to-Rent, and Conserve-a-Unit programs.

Future Outlook

Ontario Land Corporation will continue to develop and market land throughout Ontario. Major activity will be in Scarborough, Markham, Pickering, Ottawa, Hamilton, Stoney Creek, London, Guelph and Kitchener. Planning studies are underway in Ottawa/Carleton, Whitby, Cambridge, Milton, and Oakville to determine development opportunities or alternative uses.

The corporation will continue to reduce its serviced land inventory. New inventory will be limited to the levels needed to meet immediate demand in local markets and servicing will be closely tied to the rate of sales.

Mortgages and leases will continue to provide a major part of the corporation's cash flow. Over the next few years the residential renewable mortgages and the associated Treasury debt will be repaid.

Efforts like these will help ensure that Ontario Land Corporation sustains its performance in the future and that its land holdings and other assets are put to their best use.

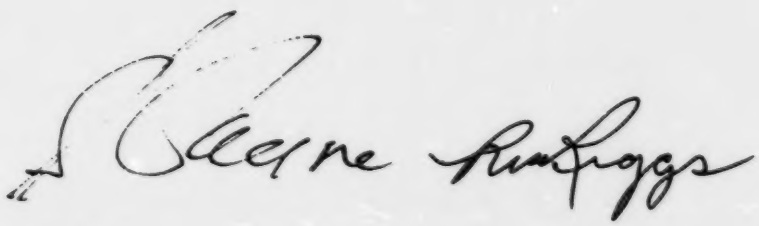
Ontario Land Corporation

Financial Statements **Year Ended March 31, 1985**

Balance Sheet
March 31, 1985

	Notes	1985 ($'000)	1984 ($'000)
Assets			
Real Estate	1	516,806	523,716
Mortgages and Loans	2	465,123	516,790
Cash and Marketable Securities	3	75,959	76,828
		1,057,888	1,117,334
Mortgage Guarantee Fund	9	2,391	2,162
Liabilities			
Long-term Debt			
Treasurer of Ontario	4	872,301	942,846
Canada Mortgage and Housing Corporation	5	102,692	105,229
		974,993	1,048,075
Accounts Payable and Accrued Liabilities		8,012	6,578
		983,005	1,054,653
Equity			
Retained Earnings		74,883	62,681
		1,057,888	1,117,334
Mortgage Guarantee Fund	9	2,391	2,162

On Behalf of the Board:



Statement of Earnings
Year Ended March 31, 1985

	Notes	1985 ($'000)	1984 ($'000)
Revenues			
Sale of Land		13,891	15,501
Rent from Land Leased to Homeowners		2,877	2,930
Interest on Mortgages and Loans		49,804	56,245
Interest on Cash and Marketable Securities		13,344	10,745
Other	6	3,258	3,840
		83,174	89,261
Expenses			
Cost of Land Sold		11,931	15,669
Interest	7	58,644	64,468
Other	8	397	338
		70,972	80,475
Net Earnings for the Year		12,202	8,786

Statement of Retained Earnings
Year Ended March 31, 1985

	1985 ($'000)	1984 ($'000)
Retained Earnings, Beginning of Year	62,681	53,895
Net Earnings for the Year	12,202	8,786
Retained Earnings, End of Year	74,883	62,681

Statement of Changes in Financial Position
Year Ended March 31, 1985

	1985 ($'000)	1984 ($'000)
Source of Cash		
Net Earnings for the Year	12,202	8,786
Depreciation and Other Non-Cash Items	149	369
Cash Provided from Operations	12,351	9,155
Real Estate Costs Realized Through Sales and Disposals	16,783	19,907
Net Reduction of Mortgages and Loans	49,811	63,240
Advances from the Treasurer of Ontario	4,571	6,068
	83,516	98,370
Use of Cash		
Repayment of Long-term Debt	77,653	77,616
Development of Real Estate	8,166	7,350
Other Changes - Net	(1,434)	623
	84,385	85,589
Increase		
(Decrease) in Cash and Marketable Securities	(869)	12,781

Summary of Significant Accounting Policies
March 31, 1985

Ontario Land Corporation (OLC) was incorporated in 1975 as a Crown Corporation without share capital under the Ontario Land Corporation Act. The Corporation manages 26,500 hectares of land acquired for land banking and development purposes, and 23,200 mortgages and 5,900 land leases issued under various housing programs. OLC is a partner with Canada Mortgage and Housing Corporation (CMHC) in certain land and mortgage programs, and earns administration fees for managing CMHC's interest in them. The Corporation is also a partner with various municipalities in certain mortgage programs.

The financial statements are prepared on the historical cost basis. The statements include the Corporation's proportionate share of the individual assets, liabilities, revenues and expenses of partnerships. No amounts are included in respect of salaries, benefits, or administrative expenses, as these are absorbed by the Ministry of Housing (formerly Ministry of Municipal Affairs and Housing).

The Corporation administers certain housing incentive programs as an agent of the Province. Advances under these programs are reflected in the Public Accounts, and are not included in the accounts of the Corporation.

Real Estate

Real estate consists of land inventory, land leased to homeowners, residential properties acquired upon default of mortgage loans, and commercial properties.

Land inventory cost consists of acquisition costs, planning and development costs, and ongoing carrying costs net of any rental revenue received.

Land leased to homeowners represents the Corporation's interest in lots on which homes have been built. A lessee may, at his option, purchase and acquire title to the land.

Acquired property cost consists of the unpaid loan balances together with operating costs net of rents received, less an allowance for losses. These properties are subsequently sold with the intention of recovering the value of the mortgages.

Depreciation of the commercial properties is recorded using the sinking fund method over a 40-year life for the properties. The sinking fund method provides a depreciation charge which increases at a rate compounded at 4% per annum, which is sufficient to fully depreciate the buildings over their anticipated useful lives.

Where land inventory is owned by the OLC/CMHC Partnership, interest is capitalized at rates set by CMHC. Interest is not capitalized on land wholly owned by the Corporation.

Mortgages and Loans

Mortgages and loans are carried at the amount due including interest and property taxes paid on behalf of the mortgagor, less an allowance for losses.

Cash and Marketable Securities

Marketable securities are carried at cost plus accrued interest.

Income Recognition

Income from the sale of real estate is recognized when title passes to the purchaser.

In previous years the Corporation sold individual lots and took back non-interest bearing deferred mortgages as part of the sales proceeds. A portion of the gain on each sale, equal to the amount of such mortgage, was deferred. The deferred gains are taken into income at the time when mortgage repayment commences.

Change in Presentation

The net gain or loss on the disposal of acquired residential properties is included with other revenue on the Statement of Earnings. In prior years, the gross amounts were included in sales and cost of sales. This change has no effect on the net earnings of the Corporation.

Notes to Financial Statements
March 31, 1985

1. Real Estate

	1985		1984
	(Corporation's Proportionate Share)		
		($'000)	($'000)
Land under development	117 Hectares	14,850	19,281
Land held for development or sale	25,536 Hectares	456,672	456,247
Land leased to homeowners	4,341 Lots	34,331	34,841
Acquired residential properties	204 Properties	7,161	9,607
Commercial properties, net of $156,000 accumulated depreciation (1984 - $69,000)	2 Properties	3,792	3,740
		516,806	523,716

Transactions during the year were:

	Land Inventory	Leased to Homeowners	Acquired Properties	Commercial Properties	Total
			($'000)		
Balance, March 31, 1984	475,528	34,841	9,607	3,740	523,716
Reacquisitions and settlements	2,981		1,794		4,775
Development costs	4,770			139	4,909
Capitalized interest	340				340
Carrying costs	3,064		1,673		4,737
Rent recoveries	(3,740)		(1,061)		(4,801)
Depreciation				(87)	(87)
Disposals			(4,852)		(4,852)
Cost of sales	(11,421)	(510)			(11,931)
Balance, March 31, 1985	471,522	34,331	7,161	3,792	516,806

2. Mortgages and Loans

	1985 ($'000)	1984 ($'000)
Residential mortgages and agreements for sale:		
Insured under the National Housing Act	45,589	55,221
Uninsured (net of 1.5% allowance)	399,387	438,731
Total (average interest rate 10.30%; 1984 - 10.47%)	444,976	493,952
Non-interest bearing deferred mortgages	23,267	25,592
Builders' mortgages	8,780	11,378
Municipalities and other	10,762	10,779
Ontario Development Corporation	424	406
Other receivables	181	275
	488,390	542,382
Less: Deferred gains arising from non-interest bearing deferred mortgages	23,267	25,592
	465,123	516,790

3. Cash and Marketable Securities

	1985 ($'000)	1984 ($'000)
Cash and short-term investments	37,744	57,928
Securities maturing 1987 to 2005 (market value $37,500,000; 1984 - $16,800,000)	38,215	18,900
	75,959	76,828

4. Long-term Debt — Treasurer of Ontario

The assets of the Corporation are financed mainly by loans from the Treasurer of Ontario. These loans are repayable as funds are realized from the assets.

	1985 ($'000)	1984 ($'000)
Interest bearing — Average rate 9.23% (1984 - 9.23%)	476,961	545,317
Non-interest bearing	390,718	392,893
Non-interest bearing to March 31, 1990	4,622	4,636
	872,301	942,846

5. Long-term Debt — CMHC

(a) Debt due to CMHC is repayable under two debentures due December 31, 2001. The weighted average interest rate is 8.93% (1984 - 8.92%).

Principal repayments are due as follows:

	($'000)
Year Ending March 31, 1986	2,763
1987	3,011
1988	3,281
1989	3,576
1990	3,898
Subsequent to 1990	86,163
	102,692

(b) The Corporation has established a debt retirement fund to provide for payment of the CMHC debentures. The elements of the fund are included under the appropriate classifications in the Balance Sheet.

Details of the fund are:

	1985 ($'000)	1984 ($'000)
Cash and marketable securities	56,652	49,954
Residential mortgages	35,566	43,214
Acquired residential properties	24	589
	92,242	93,757

6. Other Revenues

	1985 ($'000)	1984 ($'000)
Deferred gains realized	2,327	2,754
Administration and sundry fees	1,321	1,483
Rent from commercial properties	100	72
Loss on disposal of acquired properties	(429)	(169)
Adjustment of allowances:		
Residential mortgages and acquired properties	630	(300)
Builders' mortgages	(691)	—
	3,258	3,840

7. Interest

	1985 ($'000)	1984 ($'000)
Treasurer of Ontario	49,404	55,302
CMHC	9,580	9,664
Other	—	16
	58,984	64,982
Capitalized to land inventory	(340)	(514)
	58,644	64,468

8. Other Expenses

	1985 ($'000)	1984 ($'000)
Operating expenses of commercial properties	264	221
Depreciation of commercial properties	87	69
Miscellaneous	46	48
	397	338

9. Mortgage Guarantee Fund

The Corporation maintains a Mortgage Guarantee Fund which was established to satisfy any liability arising out of guarantees given for specific mortgages provided by private sector lenders. The outstanding balance of the mortgages so guaranteed is $11,290,000 (1984 - $14,897,000).

Details of the fund are:

	1985 ($'000)	1984 ($'000)
(i) Fund Continuity from Inception		
Fee revenue from borrowers	828	828
Interest income	1,556	1,329
	2,384	2,157
Net gain on guarantee operations	7	5
	2,391	2,162

(ii) Fund Assets		
Cash	71	107
Marketable securities (market value $1,620,000; 1984 - $1,135,000)	1,809	1,384
Mortgages receivable	511	663
Due from Ontario Land Corporation	—	8
	2,391	2,162

10. Contingent Liabilities

Certain persons whose land was expropriated may apply to the Ontario Municipal Board for reassessment of the compensation paid upon expropriation. Additional compensation may be negotiated or awarded and is treated as a land settlement cost when paid. During the year, the Corporation paid settlements of $0.3 million; future settlements are estimated at $1.5 million.

The Corporation and others are defendants in three lawsuits claiming that they were negligent in allowing the building and sale of houses on a site contaminated by radioactive waste. Damages claimed are approximately $16 million. The Corporation is denying all liability in these actions on the grounds that it had no knowledge of the contamination. The Corporation's lawyers have advised that it is unlikely that any liability will attach to the Corporation. Accordingly, no provision for this item has been made in the financial statements.

11. Comparative Figures

Comparative figures have been reclassified to conform with the March 31, 1985 presentation.

Ontario

Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416 965-1381

To the Ontario Land Corporation and
to the Minister of Housing

I have examined the balance sheet of Ontario Land Corporation as at March 31, 1985 and the statements of earnings, retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the policies described in the Summary of Significant Accounting Policies, applied on a basis consistent with that of the preceding year.

In accordance with section 29 of the Ontario Land Corporation Act, a report on the audit has been made to the Corporation and to the Minister.

D.F. Archer

Toronto, Ontario,
July 3, 1985.

D.F. Archer, F.C.A.,
Provincial Auditor.

Ontario

Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416 965-1381

July 26, 1985

Honourable Alvin Curling
Minister of Housing
Province of Ontario
Parliament Buildings
Toronto, Ontario
M7A 2K5

Dear Mr. Curling:

In accordance with section 29 of the Ontario Land Corporation Act, an audit of the accounts and financial transactions of Ontario Land Corporation has been completed for the year ended March 31, 1985. A copy of the audited financial statements is enclosed.

Our current year's review of the system of internal control and accounting procedures did not disclose any matters of significance to be reported on at this time.

Eighteen additional copies of the audited financial statements have been forwarded to Mr. S.G. Payne, Chairman of the Board of Directors, for distribution to the other members of the Board and senior officials of the Corporation.

Sincerely,

D.F. Archer

DFA/dh
Encl.

D.F. Archer,
Provincial Auditor.

Ontario

Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416 965-1381

July 26, 1985

Mr. S.G. Payne
Chairman
Ontario Land Corporation
16th Floor, 777 Bay Street
Toronto, Ontario
M5G 2E5

Dear Mr. Payne:

In accordance with section 29 of the Ontario Land Corporation Act, an audit of the accounts and financial transactions of Ontario Land Corporation has been completed for the year ended March 31, 1985. A copy of the audited financial statements is enclosed.

Our current year's review of the system of internal control and accounting procedures did not disclose any matters of significance to be reported on at this time.

Seventeen additional copies of the audited financial statements are enclosed for distribution to the other members of the Board and senior officials of the Corporation.

A copy of the audited financial statements has been forwarded to the Honourable Alvin Curling, Minister of Housing.

Sincerely,

D.F. Archer

DFA/dh
Encl.

D.F. Archer,
Provincial Auditor.

Ontario

INTERNATIONAL YOUTH YEAR 1985
ANNÉE INTERNATIONALE DE LA JEUNESSE 1985

Office of the
Deputy Minister

Bureau de
Sous-ministre

Ministry of
Municipal
Affairs

Ministère des
Affaires
municipales

777 Bay Street
Toronto, Ontario
M5G 2E5
(416) 585-7452

THE HONOURABLE BERNARD C. GRANDMAÎTRE
MINISTER OF MUNICIPAL AFFAIRS

SIR:

I have the honour to submit for your approval the 1984/85 Annual Report of the Ministry of Municipal Affairs and Housing.

Respectfully submitted,

Glenn R. Thompson
Deputy Minister

Municipal Affairs

Local Government Organization Branch

In broad terms, this branch has the responsibility for advising senior management and the minister with respect to the authority and responsibility local government should be accorded in terms of its functions, its organizational arrangements and its structure. The branch works toward local government that can be responsive, responsible and more easily understood.

The branch is involved both in current and topical policy formulation and advice and in longer term policy planning and initiatives. The branch also has responsibility for co-ordinating municipal legislation and carrying forward policy as it is to be expressed and introduced as legislation.

The branch is made up of two sections: the powers and legislation section and the organization policy section. The objectives and selected current activities of each section are set out below:

Powers and Legislation

- assesses and develops proposals to increase the effectiveness of local government and to increase its capacity to set priorities and to deliver services;
- studies existing and proposed arrangements for service delivery by the municipal sector. This includes the division of responsibility between local government and the province and between levels of local government in a two-tier system;
- examines the relationships between municipalities and other agencies in local government and makes recommendations for change;
- provides advice on the proposals of other ministries as they affect local government;
- acts as a focal point in the ministry for requests for change in legislation. (The section is informed of the status and content of all legislative proposals and liaises with other branches of the ministry);
- provides advice to senior management and the minister on requests for public and private municipal legislation to ensure that the process for public and private legislation is well co-ordinated and effective.

Organization Policy Section

- assists in the development of more effective local government structures, including monitoring requests from restructured areas;
- undertakes research and policy development on the organization character of local government to improve its accountability, accessibility and responsiveness to local needs and conditions.
- participates in the ministry's efforts to improve the general public's awareness of local government, including school curriculum content;
- undertakes organizational studies and liaison promoting more effective local government in northern Ontario.

The branch also co-ordinates the local government student research assistance program, which provides grants to assist students with the costs of undertaking theses, dissertations and research papers on topics related to local government in Ontario.

A plasticene model of a typical Ontario town was constructed for use in a film and television commercials, produced for Local Government Week.

Municipal Finance Branch

The municipal finance branch is responsible for the development of policy and legislation intended to ensure the long term financial viability of Ontario municipalities with respect to their revenue base, expenditure levels, and cost-sharing among municipalities and taxpayers.

In performing its role, the branch undertakes research and prepares reports, policy papers and submissions for consideration by the minister and cabinet. Branch representatives meet frequently with the various client groups, including elected and appointed municipal officials.

The branch also provides liaison with other ministries and agencies on transfer payments and other provincial initiatives which have municipal finance implications.

The branch is divided into three groups: taxation policy; grants policy; and finance policy and analysis. The main functions of each group are as follows:

Taxation Policy

- development of property tax policy options;
- policy development toward the determination of an appropriate basis for distributing metro, regional and county costs among their constituent municipalities;
- review of payments to municipalities made in lieu of property taxes;
- evaluation and development of general government policy respecting exemptions from property taxation;
- review and enhancement of procedures for collection of local taxes with respect to:
  - interest, penalties and discounts;
  - business taxes;
  - payments to school boards and upper tiers.

Grants Policy

- annual review of the ministry's unconditional grants program to ensure the efficient and fair distribution of funds to municipalities. (In 1985 the program contributed approximately $752 million to the municipal sector);
- evaluation of other ministries' grant programs and how they affect the finances of municipalities;
- review and development of guidelines for municipal development levies;
- simplification and consolidation of all municipal finance provisions, which currently exist in various acts, into one statute.

Finance Policy and Analysis

- forecasts and analyses of local government expenditures and revenues;
- analyses of the economic and financial bases of municipalities;
- annual publication of *Local Government Finance in Ontario* which consists of a review of municipal government financial performance;
- monitoring and development of policy regarding municipal borrowing, debt and other long-term commitments;
- review and development of policy options regarding municipal pension plans and other employee benefits.

Provincial-Municipal Affairs Secretariat

The secretariat performs a liaison function between the province and those municipal organizations which collectively represent local government in Ontario.

The secretariat maintains a close working relationship with the Association of Municipalities of Ontario (AMO), its constituent sections and its affiliated staff organizations. AMO represents the majority of Ontario's 838 municipalities. As part of the overall provincial-municipal consultation process, regular meetings were held between the Minister of Municipal Affairs and Housing and the executive of AMO. Additional meetings were held between the association and ministers whose responsibilities encompass areas of municipal interest. The arrangement and agendas for these meetings are the responsibility of the secretariat. In conjunction with AMO, the secretariat will conduct a major series of seminars for the newly-elected members of municipal councils following the municipal elections of 1985.

Following the expansion in 1983 of the *Municipal Directory* to include lists of municipal officials covering most major municipal departments, the secretariat produced as a *Supplement to the Municipal Directory* a listing by municipality of all elected members of municipal councils. This supplement will be expanded in 1985/86 to include elected and appointed members of major boards and commissions at the municipal level.

In 1985 and subsequent years, the secretariat will collect data from municipalities on Affirmative Action programs and progress. The results from this "*Survey of Municipal Employment and Remuneration Paid to Male and Female Municipal Employees*" will be available in summary form in a Report to the Legislature by the Minister of Municipal Affairs.

The secretariat also produces *Background*, a weekly newsletter on topics of current interest in local government, circulates quarterly summaries of municipal resolutions and provincial responses, and maintains a liaison function with other provincial ministries of Municipal Affairs and those national and international organizations with a principal focus on local government.

Subsidies Branch

The subsidies branch provides municipalities with appropriate financial and management resources to meet their responsibilities through loan, grant and transfer payments.

The branch also administers programs to encourage the continued use of farm and forest lands through tax rebates to property owners, and the creation of additional jobs through grants to private sector employers.

PROGRAM	TOTAL AMOUNT PAID $	TOTAL CLIENTS SERVED
FARM TAX REDUCTION PROGRAM — Encourages the continued usage of and production on farm lands through rebates of 60% of municipal taxes to eligible property owners.	94,138,116.12	153,669 properties
MANAGED FOREST TAX REDUCTION PROGRAM — Encourages the continued usage and proper management of forest lands through rebates of 60% of municipal taxes to eligible property owners.	1,584,188.62	7,270 properties
MUNICIPAL PROGRAMS — These programs provide grants to municipalities to maintain or improve the services provided to their residents and to improve their own administrative capabilities.		
Municipal services		
COED — municipal	12,020,345	
Marina & boating facilities	801,029	
Disaster relief assistance	60,000	
Municipal services in French	312,632	
Community economic transformation agreements	342,452	
Community celebration grants	28,802	
Niagara — Kenora twinning	6,312	
Municipal administration		
Training in municipal administration *includes $151,138 from M.A. '85	900,915*	
Municipal energy audits	546,358	
Municipal Affirmative Action	64,500	
Other		
COED — non-municipal	7,413,179	
Small business employment	1,864,974	
Unemployment help centres	328,488	
ONTARIO YOUTH EMPLOYMENT PROGRAM — Provides a wage subsidy to private sector employers hiring young people into newly-created jobs during the summer months. Encourages the creation of additional jobs through grants under various ad-hoc programs.	31,649,875	22,753 employers 53,820 jobs
ONTARIO YOUTH WORKS PROGRAM — Program announced in November, 1984. Provides a wage subsidy to private, non-profit and municipal sector employers hiring young people into newly-created jobs. Program period is year-round. Encourages the creation of additional jobs through grants under various ad-hoc programs.	204,985	3,000 employers 5,000 jobs
ONTARIO YOUTH CORPS PROGRAM — Program announced in September, 1984. Provides a wage subsidy to municipal and non-profit sector employers hiring young people with specific employment disadvantages. Program period is year-round. NOTE: The three YOUTH programs above have been transferred to the new Ministry of Skills Development.	8,213,675	273 municipalities 2,730 jobs 1,012 projects

PROGRAM	TOTAL AMOUNT PAID $	TOTAL CLIENTS SERVED
ONTARIO UNCONDITIONAL GRANTS PROGRAM: SIX MAJOR GRANTS	118,051,837	838 municipalities
— This grant program provides financial assistance to municipal governments in order to reduce the impact of property tax increases on local taxpayers and to strengthen the fiscal capacity of resource-poor municipalities. The program consists of six unconditional grants. The general, police, and density-per-household grants are calculated by applying a provincially determined dollar amount against the 1984 grants per household in a municipality. The resource equalization, general support, and northern special support grants are based on municipal tax levies. Resource equalization grants also take into account a municipality's property tax base.		
ONTARIO UNCONDITIONAL GRANTS — OTHER	4,345,227	156 municipalities
— This program consists of the apportionment guarantee grant which nullifies the impact of cost-sharing with a region, county or district due to shifts in tax burdens caused by changes in equalization factors. In addition, the program financially assists municipalities with extraordinarily high unemployment with their share of project costs under the Canada Ontario Employment Development program. The province also provides special financial assistance to municipalities which face financial burdens that are beyond the control of the municipality.		
PROVINCIAL PROPERTIES PAYMENT-IN-LIEU-OF-TAXES	24,507,394	675 municipalities
— Under this program the province pays its share of municipal servicing costs applicable to property it owns that is not occupied by a tenant. The grant-in-lieu-of-tax is paid to lower-tier municipalities. The amount is determined by the assessed value of the property and the municipality's commercial mill rate for general and upper-tier municipal purposes. Local improvement and drainage charges may also be paid, if applicable. — Effective January 1984, the program also applies to provincial parks, historical ports, wilderness areas, and the non-tenanted portions of agricultural research stations.		
TENANT-OCCUPIED PROVINCIAL PROPERTIES PROGRAM	5,210,379	4,500 tenants
— The province pays municipal taxes on behalf of tenants occupying provincially-owned property in a municipality. In addition, the province pays school taxes on behalf of tenants of provincial property located in school areas in unorganized areas of the province. The payment amount is based on the property's assessment and the municipality's general mill rates for local and upper-tier municipal purposes and school purposes, and may include special charges on tax bills, if applicable. At year end, the province invoices the tenants to recoup the current year taxes paid on their behalf.		

Municipal Operations Division

The municipal operations division provides a full range of advisory services to improve local government effectiveness, and monitors financial management and reporting requirements for municipalities.

A network of 10 field offices assists the division.

Municipal Boundaries Branch

The function of the municipal boundaries branch is to administer the Municipal Boundary Negotiations Act 1981.

The purpose of the act is to provide a process whereby municipal politicians on all sides of a boundary or boundary-related issue may resolve annexation or amalgamation matters by negotiation.

The municipal boundaries branch provides the resources to carry out fact-finding inquiries on behalf of the minister, to act as facilitators and mediators to assist municipalities in resolving their issues, and to generally see that the provisions of the act are carried out.

There are seven steps in the process:

- application for initiation of procedures under the act by a municipality;
- fact-finding by municipal boundaries branch staff, on behalf of the minister;
- negotiations between affected municipalities of the intermunicipal issues, chaired by a chief negotiator from the municipal boundaries branch;
- recommendation for agreement developed and signed by the negotiating committee;
- public consultation to give the public an opportunity to express their views;
- council review and consideration of recommendation for agreement and formal written opinion to the minister;
- implementation by an Order-in-Council of an agreement adopted by the councils involved.

In certain circumstances, one or more of the steps may not apply, such as in uncontested applications where there is agreement or near agreement between municipalities prior to an application, when no formal negotiations are required under the act.

During 1984/85, the branch received 13 new applications from municipalities which, together with 27 applications in process from the previous year, resulted in 40 applications on hand. Thirteen applications (one contested and 12 uncontested) were completed during 1984/85 and Orders-in-Council signed or before cabinet for consideration. The other 27 are in various stages of the process.

Research on various subjects is carried out by branch personnel on an "as required" basis when identified by a negotiation committee. This includes financial analysis of the impact on the municipalities of potential and/or proposed areas to be annexed.

The result of the branch's program is that boundary and boundary-related disputes are resolved in a politically accountable way, in a process that is non-legalistic, at a minimum cost to municipalities and the province, and in a manner that permits on-going good relationships among municipalities at the conclusion of negotiations.

Municipal Management Policy Branch

The municipal management policy branch prepares and issues publications on financial and administrative management and on computer use. It controls the municipal auditing function, prescribes municipal reporting statements and operates the municipal information data base.

The branch comprises three sections: financial management section, administrative management section and municipal information section.

The financial management section looks after developments in financial management, financial accounting and reporting and auditing. In 1984/85, it issued the following publications:

- *How to Borrow Long Term*
- *Calendarized Budgets*
- *Revised Financial Disclosure to the Public — A code for municipalities in Ontario*

The administrative management section continued its activities in the development of municipal administration. Bulletins were prepared in 1984 on *Keeping The Public Informed*, *Affirmative Action*, *Municipal Tendering*, *The Municipal Tax Sales Act 1984*, and a *Summary of Legislation Affecting Ontario Municipalities*. A management advisory publication on the subject of *Personnel Operations in Smaller Ontario Municipalities* was produced.

Other publications in progress include:

- *The Municipal Elections Act*
- *Using Consultants*
- *Sample By-Laws*
- *Councillors Handbook — A summary of legislation affecting Ontario municipalities*
- *You and the Land Registry System*

The municipal information section continued to maintain and operate MARS, the Municipal Analysis and Retrieval System data base, containing historical data on all 838 municipalities in Ontario for the period 1977 to 1984. Municipal affairs branches relied heavily on the data in MARS for the development of overall provincial policy relating to municipal finance and the payment of unconditional grants.

Other users of MARS data included the municipalities themselves, municipal associations, the Ontario Municipal Board, Statistics Canada, the investment and banking communities, other provinces, students of municipal administration, consultants and others interested in the municipal sector.

In addition to maintaining and providing information

to users of municipal financial data, the section undertook, with accounting and other professionals, a detailed review of the financial and reporting requirements of the Financial Information Return (FIR).

Considerable progress occurred respecting the use and application of microcomputer technology within and without municipal affairs. Additional publications were released advising municipalities how to evaluate, acquire and install microcomputer technology when it is practical to do so. To date, in the series entitled "Microcomputers in Small Municipalities", three publications have been released:

— *A Guide*
— *A Workbook*
— *A Catalogue*

Under development are a series of publications for municipalities with populations larger than 5000.

Within municipal affairs, a number of microcomputer systems were completed which complement the MARS environment and provide additional management information. Examples of these include the development of a microcomputer-based financial management indicators template which is in use by all ten field offices to analyze the financial status of municipalities over a three-year time frame. Also developed and operating satisfactorily was a branch budget program, a municipal address mailing system, and a branch local area network known as MUNI-net.

A formalized computer literacy training program used by the municipal affairs wing and other parts of the ministry, complete with classroom and trainer, took effect in October, 1984, with two streams of learning: general level knowledge and working level knowledge.

Formalized microcomputer guidelines were also developed that address a number of issues, including training, security, copyright, operations, project methodology, standard hardware configurations, software recommendations, etc.

The municipal information section continued to play an active role in liaison with other ministries in providing assistance and advice with respect to local government information systems and new technologies. It provided continuing advice and assistance to municipalities in various ways, including working directly with municipal staff, conducting workshops and seminars, and preparing resource material and publications. In addition, the exchange of information and ideas, as well as the development of policies and procedures to meet the rapidly changing computer environments, extends beyond Ontario. Section staff advanced their collaboration with other Canadian provinces as well as national and international associations who share mutual interests. The section is also a corresponding member of the Technical Working Group of the Organization for Economic Co-operation and Development (OECD) of the United Nations.

Municipal Action '85

This program, aimed to assist municipalities in the improvement of their management and operations, has continued to be very successful.

Under the training and development element, approximately 500 training incentive grants were processed during the year. More than 20 bursaries for senior administrators to encourage mid-career management training were approved. The education development fund continued to be used for the development of new educational material and training packages related to the activities of municipal government. Currently, 20 projects are involved, including a program on cash flow management conducted by the Association of Municipal Clerks and Treasurers of Ontario, a supervisory skills course package developed by the Ontario Municipal Management Development Board, and a management-by-objectives in local government project to develop a manual and seminars on this subject.

The second element under the program, the Basic Accounting and Control Package (BACPAC), continues to be successful. Currently, more than 254 projects have been approved and others are currently under review.

Over 180 project applications have been approved under the advanced management systems element of the program. This has covered the whole range of municipal management operations, including financial management information, general management information, comprehensive auditing, general computer systems, and a whole range of other projects covering a wide variety of direct municipal operations.

These projects are being monitored, and the experiences of the municipalities involved will be highlighted so as to help other interested municipalities.

Under the general initiatives section, the *Consolidated Municipal Reference Directory* is being produced including, in 1984-85, the four-volume set of legislation for Ontario affecting Ontario's municipalities. This was enthusiastically received by municipalities and others. A number of joint services encouraging municipalities to work together in joint ventures have also been completed during the year.

Field Services Branch

The field services branch operates a network of 10 field services offices in Ontario to provide advice to municipalities. The branch also provides a municipal affairs presence in the field to the general public, other government ministries, and government agencies on all aspects of local government.

Field offices are located in Thunder Bay, Sudbury, North Bay, Ottawa, Kingston, Oshawa, Orillia, Cambridge, Guelph and London with a head office staff in Toronto.

Staff members of the field offices have the first line responsibility to assist municipalities in complying with recognized municipal practices and maintaining good management and financial stability. When necessary, the field office staff provide on-site assistance.

For the 607 municipalities with populations of 5,000 or less, guidance from the branch is particularly

emphasized and requested as the complexity of municipal administration increases.

Direct supervision by the ministry of the conduct of the affairs of the boards of seven improvement districts, the Moosonee Development Area Board, and two other municipalities is carried out by the branch. Three municipalities have requested and are receiving supervision in certain matters (modified supervision).

The branch evaluates applications for special assistance made to the minister by municipalities experiencing losses of revenue. In the past fiscal year the minister approved six grants.

Branch staff organize seminars and workshops for municipal staff and attend municipal association and zone meetings to provide information and advice.

Financial reports of all municipalities are reviewed by the branch. Weaknesses are identified and reviewed with the municipality.

The branch, through the Municipal Action '85 program, provides on-site training for inexperienced municipal staff, usually through a cost-sharing agreement with the municipal corporation.

Ratepayers in some 100 instances in the past year have requested the minister to intervene in local government matters alleging improper council decisions and/or improper performance by municipal officials. Allegations in six instances were presented to the minister by way of requests for a full scale Commission of Inquiry. In all cases, the branch inquires into the matters and reports to the minister.

The function of the community planning wing is to ensure that provincial, municipal and private sector objectives can be achieved through an effective land use planning process.

The wing administers the regulatory planning process, as well as grant and loan programs. Staff advice and assistance is provided to municipalities, business organizations and the public on all matters pertaining to the Planning Act and related legislation.

Community Planning Programs Division

The community planning programs division includes the community planning advisory, community renewal, and the research and special projects branches. These branches are responsible for all community planning wing programs of direct financial, advisory and educational services to municipalities, and provide the research function for the wing as a whole. Regular liaison with municipalities provides the division with an awareness of municipal planning concerns and input into establishing appropriate research topics and special studies.

Community Renewal Branch

The community renewal branch is responsible for promoting and facilitating a comprehensive approach to the revitalization and maintenance of existing urban areas and community facilities.

In carrying out this responsibility, the branch assists municipalities in the preparation of community improvement policies (as part of municipal official plans), assists in the interpretation, application and administration of the community improvement legislation in the Planning Act, and provides financial assistance to municipalities for improvements within residential and commercial areas. In addition, the branch provides assistance in the establishment and ongoing operation of Business Improvement Areas (BIA's) across the province.

The branch administers the financial assistance program called PRIDE (Programs for Renewal, Improvement, and Development). The PRIDE package encompasses the Ontario Neighbourhood Improvement Program (ONIP) introduced in 1981, and the Commercial Area Improvement Program (CAIP) announced in 1983. CAIP replaced both the

Ontario PRIDE Awards were presented to those who worked to promote the Business Improvement Area (B.I.A.) concept.

Ontario Downtown Revitalization Program (ODRP) and the Main Street Revitalization Program (MSRP).

Ontario Neighbourhood Improvement Program (ONIP)

Under ONIP, municipalities receive a 50% provincial grant for projects to upgrade municipal services, public utilities and social and recreational facilities in stable residential neighbourhoods occupied by low- and moderate-income households. The purpose is to arrest decline and ensure a minimum level of services in the neighbourhood.

During the 1984/85 fiscal year, $7.5 million was committed to municipalities, bringing the total commitments under the program by the end of 1984/85 to $43.2 million for 216 projects by 141 municipalities. Provincial payments by the end of fiscal year 1984/85 were $23.4 million.

Commercial Area Improvement Program (CAIP)

The Commercial Area Improvement Program was introduced to address the changing municipal commercial area improvement needs in the 1980's.

The purpose of this program is to improve physical, social, cultural and economic facilities within downtowns and other older existing commercial districts in order to arrest decline and/or revitalize these areas.

Under CAIP, municipalities receive a 50% provincial contribution in the form of loans and grants. The maximum provincial funding to a project is $500,000. The grant portion cannot exceed one-third of the provincial contribution. The rate of interest on the loan portion is 50% of the provincial borrowing costs.

During the 1984/85 fiscal year, $3.5 million was committed to 20 projects in 20 municipalities bringing the total commitments under the program by the end of 1984/85 to $9.5 million for 42 projects in 37 municipalities.

Business Improvement Areas (BIA)

The Business Improvement Area concept began in 1970 when the province enacted what is now Section 217 of the Municipal Act, R.S.O. 1980. This BIA legislation provides local business and retail communities with the opportunity to establish a formal organization to facilitate physical improvements on municipally-owned lands, buildings and structures (beyond the normal or routine works of the municipality) and to co-ordinate marketing and promotional activities within the designated areas.

The branch actively promotes the BIA concept in municipalities and supplies information and guidance in the establishment and administration of BIA's. The existence of a BIA is a prerequisite for municipal involvement in CAIP. There is no direct provincial funding.

At the end of the 1984/85 fiscal year, there were 170 active BIA's in the province with a cumulative annual budget exceeding $6.5 million.

The branch is also responsible for overseeing projects under now terminated programs that still have outstanding provincial commitments. These are:

Ontario Downtown Revitalization Program

The program was instituted in 1976 and replaced in August 1983 with the announcement of CAIP.

It was a provincial-municipal program under which the province provided financial assistance to municipalities with a population of 125,000 or less to facilitate privately funded downtown redevelopment.

There are two projects still under implementation. Provincial payments under this program in fiscal year 1984/85 amounted to $5.2 million.

Main Street Revitalization Program

This program was instituted in 1978 and replaced in August 1983 with the announcement of CAIP.

Provincial assistance was available in the form of low-interest loans to active Business Improvement Areas in downtown areas of small communities with populations of 35,000 or less.

There were eight projects still under implementation in 1984/85 and provincial payments in fiscal year 1984/85 amounted to $319,135.

Urban Renewal, Neighbourhood Improvement and Community Services Contribution (NIP Component) Programs

These joint federal/provincial/municipal programs were terminated by the federal government. In 1984/85 there were 16 projects still in the process of being implemented with an outstanding provincial commitment of approximately $1 million.

Community Planning Advisory Branch

The community planning advisory branch (CPAB) is a decentralized operation with offices in Ottawa, London, Sudbury, Thunder Bay and Metro Toronto. It is responsible for promoting community planning in Ontario through the provision of educational activities, direct financial and technical assistance, and advisory services. The presence of a professional field staff enhances effective communication between the ministry and local municipalities.

Educational activities. In 1984/85, the branch organized 121 educational seminars and workshops and participated in sessions which were initiated by other branches or agencies. CPAB also organized the 1984 Ontario Planners' Conference, the major annual professional planners' meeting in the province, which attracted over 300 representatives from both the public and private sectors.

During the year, the branch initiated a major review of its educational programs. The branch will examine current issues relating to educational activities,

demands for service, and the extent of existing municipal educational resources in order to formulate new objectives for future educational programs. The review will be completed in the 1985/86 fiscal year.

Technical Assistance. CPAB offers professional planning assistance to many Ontario municipalities on a no-cost consultant basis. During 1984/85, 29 documents were prepared (relating to official plans and zoning by-laws), and terms of reference were drawn up for 31 studies.

During the year, 436 plans, reports and documents were reviewed by staff. These included comments to the plans administration branches to provide local perspective on documents submitted for approval.

Financial Assistance. In 1984/85 CPAB administered two grant programs providing funding to municipalities: Community Planning Study Grants (CPSG) and Planning Administration Grants (PAG).

During the year, 185 municipalities and joint planning boards received provincial commitments for $1,613,000 under the CPSG program, bringing the total commitments under the program to $12.5 million.

It is expected that 141 planning documents will be produced as a result of these commitments. Of these, 116 will be related to official plans or zoning by-laws and the remainder will be special studies.

The branch also awarded grants totalling $262,000 (under PAG) to facilitate the administration of planning activities in 12 planning areas containing unorganized territory in northern Ontario.

Advisory Services. Approximately 41% of staff time was devoted to advisory and general consultative services to municipalities, other provincial agencies, developers and the general public. Branch staff represented the ministry on a number of committees and performed a liaison role with other agencies and the general public on matters of ministry concern.

Research and Special Projects Branch

The branch provides the ministry with technical advice on community planning issues. The major areas of interest focus on the impact of changing economic and social conditions on communities. The consequences for development and redevelopment are analyzed and related to existing planning programs and future needs.

The work of the branch emphasizes a practical approach to the opportunities and constraints facing municipalities in dealing with complex planning and development issues. The projects and analysis carried out by the branch offer useful guidelines to municipalities, other government agencies, consultants and the development industry on a wide variety of planning related matters.

Recent publications include:

- *Commercial Area Improvements* — provides practical advice to communities embarking on downtown improvements;
- *Downtown Management* — contains examples of management practices in use in Business Improvement Areas (BIA's) in Ontario;
- *Recreational Vehicle Campgrounds* — provides guidelines for the development of private campgrounds;
- *Handbook for Energy Efficient Subdivision Planning — Design Implications* — deals with the design implications of developing an energy-efficient, low-density residential subdivision;
- *Computers as a Planning Tool* — provides a software directory and outlines the present and potential use of micro computers for municipal planners.

Current projects include:

— the development of practical design treatments and implementation tools for improving highway commercial districts;
— the preparation of a handbook which will identify sources of maps and aerial photography of use to municipal planners;
— an examination of the present status of home occupations in a variety of municipalities and possible future trends and impact;
— an assessment of the land use planning concerns of the rural elderly, and an examination of the planning issues related to planned rural retirement communities;
— the development of a practical reference guide for private property owners and municipalities undertaking commercial facade studies.

Local Planning Policy Branch

The local planning policy branch is responsible for initiating and responding to legislative needs related to municipal planning and the co-ordination of statements of provincial policy on planning matters. It is also responsible for the development of explanatory guidelines, regulations and other material related to the Planning Act, and for conducting educational sessions to assist in the greater understanding of the act.

During 1984-85, much of the branch effort was devoted to the monitoring and implementation of the new Planning Act which was proclaimed on August 1, 1983, following a comprehensive review of Ontario's planning legislation. In order to obtain the first-hand views of many users of the new Planning Act, interviews were conducted with approximately 70 selected municipalities, planning boards, provincial agencies and planning professionals during the summer of 1984. On the basis of the general monitoring program and these interviews, it is apparent that the new Planning Act is working well. Appropriate changes are being evaluated.

In addition, and as part of the educational role to assist in the implementation of the new legislation, the branch has published a number of guidelines

explaining various features of the act. During 1984-85, these guidelines included:

Official Plans and the Use of Site Plan Control;

Official Plan Documents: Preparation, Adoption, Submission and Lodging; and

Committees of Adjustment, Minor Variances and Non-Conforming Uses.

Copies of these guidelines were sent to every municipality in the province and widely distributed among special interest groups, consultants and other provincial and local agencies. Additional copies may be obtained from the Ontario Government Bookstore. Other publications currently in preparation, which will assist in the use of the new Planning Act and in understanding the planning process in general, include the *Citizens' Guide to the Planning Process* and a revision and updating to the *Validation Guideline*, as well as a guideline on property standards maintenance.

During 1984/85, the branch continued to work with the Ministry of Agriculture and Food on the revisions to the *Foodland Guidelines* in preparation for release of a policy statement under the new act on the preservation of agricultural land. Revisions to the *Agricultural Code of Practice* were also undertaken by the two ministries in co-ordination with the Ministry of the Environment.

During the year, the branch also worked with the Ministry of Natural Resources on finalizing the Mineral Aggregates Policy Statement, which is ready for final consideration. Staff are preparing draft statements for floodplains and land use compatibility. Statements for longer term consideration include issues such as wetlands.

Plans Administration: north and east, central and southwest

The branches perform regulatory and monitoring functions for a variety of planning responsibilities based on a geographical division of the province: north and east (all regions, counties and districts north and east of Simcoe county and Durham region), central and southwest (all counties and regions west of Northumberland and Victoria counties and the district municipality of Muskoka).

The branches administer the approval of official plans and amendments and plans of subdivision and condominium. This is aimed at ensuring an effective and responsive land use planning process. In addition, the branch works to protect provincial interests in municipal and private sector planning and development initiatives. Delegation of the minister's authority under the Planning Act falls within the mandate of the branch, which also monitors the various approvals which have been delegated. These include subdivision, condominium, local official plans and amendments (in regions) and severance approvals. Reviews are also carried out on draft official plan and zoning documents to provide preliminary comments and general planning advice to municipal councils and planning boards. Zoning by-laws are evaluated by the plans administration branches and, where appropriate, comments are made to the Ontario Municipal Board. The branches also administer minister's zoning orders and approve amendments to the orders.

Other functions include approval of applications for severances in many parts of northern Ontario, the validation of land titles, road adjustments, part lot control by-laws, and deeming by-laws.

The preparation of minister's zoning orders for unorganized areas in northern Ontario is administered in the plans administration branch, north and east.

The plans administration branch, central and southwest, has been directed by the Provincial Secretary for Resources Development to develop a program leading towards the implementation of the proposed Niagara Escarpment Plan through municipal planning documents. Appeals to decisions on Niagara Escarpment development permits are also a function of the plans administration branch, central and southwest.

The branch is responsible for administering and implementing the Parkway Belt West Plan and approving amendments to Parkway Belt regulations. During 1984/85, the branch continued the review of the Parkway Belt West Plan, as required under the Ontario Planning and Development Act. Revised policies for this planning area are expected to be finalized in the spring of 1986.

Outstanding loan and grant commitments made under the Ontario Housing Assistance program are administered by this branch.

The general administration section provides clerical support to the branches, while mapping and graphic services to the entire community planning wing are supplied by the cartography and drafting section.

Plans Administration

Annual Statistics, Fiscal 1984/85	1984/85	1983/84
Development grants		
New grants		0
Total amount paid		0
Grants completed or extended		0
Total amount paid		0
		0
Interest free loans		
Number of loans made		0
Total loans approved		0
Amount disbursed		
		0
Housing incentive grants		
Amount disbursed		$150,000
Zoning		
Comprehensive and amending by-laws received	4,683	4,412
Comprehensive and amending by-laws terminated	4,661	4,400
Zoning orders		
Amendment applications received	161	205
Applications terminated	164	202
Minister's consents		
Applications received	966	937
Applications terminated	994	944
Official plans		
Proposed official plans received	62	32
Proposed official plan amendments received	943	816
Official plans terminated	46	27
Official plan amendments terminated	965	753
Parkway belt		
Received	98	233
Terminated	103	218
Niagara Escarpment Commission		
Appeals received	94	76
Appeals terminated	96	74
Road adjustment by-laws		
Received	444	363
Terminated	464	355
Part-lot control		
Received	35	32
Terminated	35	31
Validation		
Received	57	78
Terminated	67	78
Subdivision and condominium applications		
Received	245	213
Terminated	261	209
Monitoring of Submissions/Decisions of Delegated Regions		
Received	503	567
Terminated	466	553
Draft Document Review		
Received	367	240
Terminated	369	179